

APPENDIX RECIPROCAL COMPENSATION

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**APPENDIX RECIPROCAL COMPENSATION
(Mutual Compensation for Transport, Termination, and Transiting)**

1. INTRODUCTION

- 1.1 This Appendix sets forth terms and conditions for Reciprocal Compensation provided by TDS TELECOM and CLEC.

2. TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC RELEVANT TO COMPENSATION

- 2.1 The Telecommunications traffic exchanged between CLEC and TDS TELECOM will be classified as Local Traffic, intraLATA Toll Traffic, or interLATA Toll Traffic.
- 2.1.1 “Local Traffic,” is as defined in the General Terms and Conditions of this Agreement.
- 2.1.2 “ISP-Bound Traffic” is as defined in the General Terms and Conditions of this Agreement. Traffic originated from, directed to or through an ISP physically located outside the originating End User’s local calling area will be considered toll traffic and subject to access charges.
- 2.2 Reciprocal compensation applies for transport and termination of Local Traffic terminated by either Party’s switch. The Parties agree that the jurisdiction of a call is determined by its originating and terminating (end-to-end) points, including calls that originate to or terminate from virtual NXX (“VNXX”) numbers. When an End User originates a call which terminates to an End User physically located in the same local calling area and served on the other Party’s switch, the originating Party shall compensate the terminating Party for the transport and termination of Local Traffic in accordance with Section 4 of this Appendix.
- 2.3 Intentionally left blank.
- 2.4 Intentionally left blank.
- 2.5 The compensation arrangements set forth in this Appendix are not applicable to (i) Exchange Access traffic or (ii) any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission. All Exchange Access traffic and intraLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable federal and state access tariffs. Optional calling plans, where applicable, will be classified as toll traffic.
- 2.6 Intentionally left blank.
- 2.7 Intentionally left blank.

- 2.8 Except as provided otherwise in this Agreement, the Parties understand and agree that either Party, upon fifteen (15) days written notice to, may block any traffic that is improperly routed by the other Party over any trunk groups and/or which is routed outside of the mutual agreement of the Parties. Both Parties will work in good faith and make best efforts to correct any traffic routing the other party has identified as improperly routed. Notwithstanding the forgoing, a denial by the noticed Party that traffic is being improperly routed shall invoke the dispute resolution procedures provided in Section 16 of the Agreement.

3. RESPONSIBILITIES OF THE PARTIES

- 3.1 Each Party to this Appendix will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved. It is the responsibility of each Party to originate and transmit complete and unaltered calling party number (CPN), as received by an originating party. Each Party is individually responsible to provide facilities within its network for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network as referenced in Telcordia Technologies BOC Notes on LEC Networks and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the Telecommunications Service Priority (TSP) System for National Security Emergency Preparedness (NSEP).
- 3.2 Neither Party shall use any Interconnection, function, facility, product, network element, or service provided under this Agreement or any other service related thereto or used in combination therewith in any manner that interferes with or impairs service over any facilities of either Party, its affiliated companies or other connecting telecommunications carriers, prevents any carrier from using its Telecommunication Service, impairs the quality or privacy of Telecommunications Service to other carriers or to either Party's End Users, causes hazards to either Party's personnel or the public, damage to either Party's or any connecting carrier's facilities or equipment, including any malfunction of ordering or billing systems or equipment. Upon such occurrence, either Party may discontinue or refuse service for so long as the other Party is violating this provision. Upon any such violation, either Party shall provide the other Party notice of the violation at the earliest practicable time.
- 3.3 Each Party is solely responsible for the services it provides to its End Users and to other Telecommunications Carriers.
- 3.4 Where SS7 connections exist, each Party will provide the other with the proper signaling information (e.g., originating Calling Party Number, JIP and destination called party number, etc.), to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided including CPN,

JIP, Originating Line Information Parameter (OLIP) on calls to 8XX telephone numbers, calling party category, Charge Number, etc. All privacy indicators will be honored.

4. LOCAL TRAFFIC COMPENSATION

- 4.1 The rates, terms, conditions contained herein apply only to the termination of Local Traffic on the Parties' networks. All applicable rate elements can be found in Appendix PRICING.
- 4.2 Based on the assumption that the Local Traffic exchanged by the Parties will be roughly balanced (i.e., neither Party is terminating more than sixty percent (60%) of the Parties' total terminated minutes for Local Traffic), the Parties shall initially terminate each other's Local Traffic on a Bill and Keep basis.
- 4.3 Either Party may request that a traffic study be performed no more frequently than semi-annually. Such traffic study shall examine all Local Traffic excluding Local Traffic that is also ISP Bound Traffic. Should such traffic study indicate, in the aggregate, that the traffic is no longer in balance, based on traffic exceeding the out-of-balance percentage for three (3) consecutive months, either Party may notify the other in writing of their intent to bill for Local Traffic termination. At such time, the Parties shall mutually agree upon and amend this Agreement and Appendix PRICING to incorporate terms and rates for transport and termination of Local Traffic which shall be utilized for the duration of the Term of this Agreement unless otherwise agreed by the Parties. A minimum of ninety (90) days written notice is required prior to the first billing of mutual compensation.

5. BILLING FOR MUTUAL COMPENSATION

5.1 Direct Interconnection

- 5.1.1 Where the Parties utilize Direct Interconnection for the exchange of traffic between their respective networks, each Party will calculate terminating interconnection minutes of use based on standard Automatic Message Accounting (AMA) recordings or event messages made within each Party's network. These recordings are the basis for each Party to generate bills to the other Party. For purposes of reciprocal compensation only, measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.
- 5.1.2 Where SS7 connections exist between TDS TELECOM and CLEC, if either Party fails to provide CPN (valid originating information) or JIP on

at least ninety-five percent (95%) of total traffic, then traffic sent to the other Party without CPN or JIP (valid originating information) will be handled in the following manner.

5.1.2.1 The remaining five percent (5%) of unidentified traffic will be treated as having the same jurisdictional ratio as the ninety-five (95%) of identified traffic.

5.1.2.2 If the unidentified traffic exceeds five percent (5%) of the total traffic, all the unidentified traffic shall be billed at a rate equal to access charges set forth in St. Stephen Telephone Company's Intrastate Access tariff.

5.1.2.3 The Parties will coordinate and exchange data as necessary to determine the cause of the CPN or JIP failure and to assist its correction.

5.2 Indirect Interconnection

5.2.1 For any traffic exchanged between the Parties via third party tandems, each Party shall utilize records provided by the tandem operator to invoice for traffic terminating on its network. The Parties agree to accept the billing records from the tandem operator as representative of the traffic exchanged between the Parties.

5.2.2 To calculate intrastate toll access charges, each Party shall provide to the other, within twenty (20) calendar days after the end of each quarter (commencing with the first full quarter after the effective date of this Agreement), a PLU (Percent Local Usage) factor. Each company should calculate the PLU factor on a LATA basis using their originating IntraLATA minutes of use. The Parties shall provide a separate PLU for each TDS TELECOM operating company covered under this Agreement. The percentage of originating Local Traffic to total intrastate (Local Traffic and intraLATA toll) originating traffic would represent the PLU factor.

5.3 Audits of usage associated with Reciprocal Compensation shall be performed as specified in § 38 of the General Terms and Conditions of this Agreement.

5.4 The Parties shall be governed by applicable state and federal rules, practices, and procedures regarding the provision and recording of billing records. Neither Party shall bill for traffic or services older than one hundred eighty (180) days.

6. APPLICABILITY OF OTHER RATES TERMS AND CONDITIONS

- 6.1 Every interconnection and service provided hereunder shall be subject to all rates, terms and conditions contained in this Agreement which are legitimately related to such interconnection or service.